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September 20, 2002

To the Users of This Report

Re: August 31, 2002 Monthly Financial Information

This cover letter is intended to provide comment on the attached tables of general fund financial information.

A report issued by the State of Wisconsin Department of Revenue shows that preliminary general purpose revenue collections for FY02 were approximately \$189 million less than projections made by the Legislative Fiscal Bureau in January 2002. It is currently expected that sufficient revenues will be collected to meet the Legislative Fiscal Bureau's estimate through the end of the projection period (June 30, 2003). The following are approximate dates of release of additional specific financial information:

- October 15, 2002. The *Annual Fiscal Report* (Budgetary Basis) for FY02.
- November 20, 2002. Revenue estimates for FY03 (revised) and FY04-05, as released by the State of Wisconsin Department of Revenue. These estimates are statutorily required and serve as the basis for preparation of the 2003-05 biennial budget.
- Late December 2002. The *State of Wisconsin Continuing Disclosure Annual Report*, including the audited general purpose financial statements for FY02.
- Late December 2002. The *State of Wisconsin Comprehensive Annual Financial Report (CAFR)* for FY02.
- January – February 2003. Introduction of the Governor's proposed budget for the 2003-05 biennium.

If you have any questions about this material, please contact us at (608) 266-2305, or at capfin@doa.state.wi.us.

Sincerely,

/s/ FRANK R. HOADLEY

Frank R. Hoadley
Capital Finance Director

Monthly General Fund Financial Information for the State of Wisconsin

For the Period Ending August 31, 2002

Prepared by the Wisconsin Department of Administration

Prepared on September 20, 2002

The following tables of general fund financial information are provided with respect to securities issued by the State of Wisconsin. The information may be material to an investment decision in the securities, although the presence of information here does not imply the State of Wisconsin has made a determination of its materiality.

**THE INFORMATION IN THE FOLLOWING TABLES REFLECT ALL
FISCAL BILLS THROUGH 2001 WISCONSIN ACT 109
(BUDGET REFORM BILL)**

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2. **Actual and Projected General Fund Cash Flow for the Fiscal Year Ending June 30, 2003**
3. **General Fund Monthly Cash Position**

This table corresponds to Table II-9, page 38, of the State of Wisconsin Continuing Disclosure Annual Report, December 19, 2001.
4. **Actual and Projected General Fund Monthly Balances Available for Interfund Borrowing**

This table corresponds to Table II-10, page 39, of the State of Wisconsin Continuing Disclosure Annual Report, December 19, 2001.
5. **Actual and Projected General Fund Revenues Year-to-Date Compared to Previous Fiscal Year**

This table corresponds to Table II-11, page 40, of the State of Wisconsin Continuing Disclosure Annual Report, December 19, 2001. Final and complete information for Fiscal Year 2002 will not be available until publication of the Annual Fiscal Report, which is expected by October 15, 2002.
6. **Actual and Projected General Fund Expenditures Year-to-Date Compared to Previous Fiscal Year**

This table corresponds to Table II-12, page 41, of the State of Wisconsin Continuing Disclosure Annual Report, December 19, 2001. Information for Fiscal Year 2002 will not be available until publication of the Annual Fiscal Report, which is expected by October 15, 2002.

Cautionary Information

Users of this information should be cautioned about several points:
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The general fund financial information in this document has been prepared using what is believed to be the best available data for these purposes. The tables in this document have been prepared using the same procedures used to prepare similar information for the State of Wisconsin Continuing Disclosure Annual Report (except as mentioned below), Official Statements prepared for specific securities, or reports filed in conjunction with various securities. This information is, however, preliminary in nature and subject to change.

- This information is unaudited and is not a “financial statement.” None of the data presented here has been subjected to customary fiscal period closing procedures or the procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- This information only speaks as of the date on which it was prepared.
- Statements of information for dates before the date this information is prepared will almost certainly be subject to restatement and revision. Information classified as “actual”, and any difference from any prior estimate, does not signify a change to official estimates. Any official revenue or expenditure re-estimates that do occur will be separately identified, and if material, appropriately noticed.
- Projections of results for dates after the date this information is prepared are forward looking. Actual results will almost certainly differ.
 - Projections are based on all fiscal bills through 2001 Wisconsin Act 109.
 - Projections are not adjusted to reflect actual revenues and expenditures and routine variability in the timing of receipts and disbursements, but may be adjusted to reflect unique events.
 - Projections of remaining fiscal year cash flow may be adjusted when necessary to reflect unforeseen events or additional revised forecasts of the general fund condition statement.
- The State will issue by October 15, 2002 its Annual Fiscal Report that will include the ending budgetary-basis fund balance for the FY02.
- Data in these tables of financial information are subject to revision and reclassification for prior periods. This is particularly true for revenue data, where proper classification depends on tax returns which are received and processed significantly after the tax payments are received through electronic transfers.
- Comparison of monthly general fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- The State of Wisconsin is not obligated to provide this information or make it available on its website.
- None of the information in these tables of financial information is required by the State of Wisconsin’s continuing disclosure undertakings pursuant to SEC rule 15c2-12.
 - This information is not, and does not replace, a notice of a material event required by SEC rule 15c2-12.
 - This information is not, and does not replace, the annual financial information required by SEC rule 15c2-12.

**ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2002 TO AUGUST 31, 2002
PROJECTED GENERAL FUND CASH FLOW; SEPTEMBER 1, 2002 TO JUNE 30, 2003^(a)**

	July 2002	August 2002	September 2002	October 2002	November 2002	December 2002	January 2003	February 2003	March 2003	April 2003	May 2003	June 2003
(In Thousands of Dollars)												
BALANCES^(b)												
Beginning Balance	-421,915	-616,711	-151,597	136,072	396,504	429,703	-140,483	583,929	772,532	168,742	555,801	685,145
Ending Balance ^(c)	-616,711	-151,597	-414,308	-39,096	275,042	-657,800	-170,539	418,165	168,742	-29,917	685,145	-259,511
Lowest Daily Balance ^(c)	-835,846	-682,211							-52		239,422	-761,144
RECEIPTS												
TAX RECEIPTS												
Individual Income	515,747	350,778	561,418	455,993	406,649	422,952	801,978	421,220	434,106	772,721	419,624	596,086
Sales & Use	360,882	367,587	333,614	354,095	348,123	261,032	402,229	309,647	293,937	295,981	353,173	337,702
Corporate Income	14,037	12,214	115,454	24,656	14,442	129,070	21,589	10,866	139,619	25,385	15,475	113,814
Public Utility	197	19	255	2,198	131,354	821	319	10	358	11,550	110,080	260
Excise	32,420	32,992	34,550	29,379	33,113	31,604	29,169	27,873	26,762	29,331	28,279	31,817
Insurance	1,086	1,897	18,275	1,577	1,011	19,553	1,641	6,984	15,417	17,247	2,609	18,356
Inheritance	6,834	7,406	5,485	4,359	3,914	12,589	3,959	6,686	6,945	5,755	2,935	4,193
Subtotal Tax Receipts	931,203	772,893	1,069,051	872,257	938,606	877,621	1,260,884	783,286	917,144	1,157,970	932,175	1,102,228
NON-TAX RECEIPTS												
Federal	451,110	384,251	367,139	422,614	339,334	375,171	520,748	431,686	409,647	404,427	414,029	426,321
Other & Transfers ^(d)	318,163	479,857	385,568	260,762	267,865	245,459	365,139	329,873	298,147	352,668	274,763	330,888
Note Proceeds ^(e)	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Non-Tax Receipts	769,273	864,108	752,707	683,376	607,199	620,630	885,887	761,559	707,794	757,095	688,792	757,209
TOTAL RECEIPTS	1,700,476	1,637,001	1,821,758	1,555,633	1,545,805	1,498,251	2,146,771	1,544,845	1,624,938	1,915,065	1,620,967	1,859,437
DISBURSEMENTS												
Local Aids ^(f)	903,055	166,454	728,394	116,646	446,464	1,200,571	217,612	283,242	1,197,945	117,616	247,682	1,807,322
Income Maintenance	357,630	355,727	298,755	359,800	327,629	292,526	384,339	302,172	300,811	377,619	337,044	307,078
Payroll and Related	289,522	317,944	270,542	373,212	420,350	218,927	411,144	298,560	221,408	333,915	435,905	249,021
Tax Refunds	46,735	41,583	40,731	47,809	72,103	39,929	55,503	221,254	262,633	214,890	163,748	138,003
Debt Service	0	1,159	0	126,322	2,840	0	0	2,840	0	255,480	29,399	0
Miscellaneous	298,330	289,020	258,667	271,412	243,220	316,484	353,761	248,174	245,931	228,486	277,845	302,669
Note Repayment ^(e)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	1,895,272	1,171,887	1,534,089	1,295,201	1,512,606	2,068,437	1,422,359	1,356,242	2,228,728	1,528,006	1,491,623	2,804,093

(a) Excludes interfund borrowing and is based on all fiscal bills enacted into law through 2001 Wisconsin Act 109.

(b) The General Fund cash balances presented in this schedule are not based on Generally Accepted Accounting Principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's Universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. The designated funds are expected to range from \$150 to \$300 million during FY03. In addition, the General Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average approximately \$50 million during FY03.

(c) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount is approximately \$551 million for FY03. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$331 million) for a period of up to 30 days. If the amount of interfund borrowing available to the general fund is not sufficient, the Secretary of Administration is authorized and ready to prorate and defer certain payments.

(d) Reflects receipt on August 1, 2002 of \$23 million of proceeds from the sale and subsequent securitization of payments due the State from tobacco manufacturers under the Master Settlement Agreement.

(e) Does not include any proceeds from the issuance of operating notes and as a result does not include any impoundment payments.

(f) Reflects use in November 2002 of approximately \$600 million of proceeds from the sale and subsequent securitization of payments due the State from tobacco manufacturers under the Master Settlement Agreement to make a portion of the shared revenue payment.

GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2000 through August 31, 2002 — Actual
September 1, 2002 through June 30, 2003 — Estimated^(b)
(Amounts in Thousands)

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(c)</u>	<u>Disbursements^(c)</u>
2000	July.....	\$ 671,608	\$ 1,405,811	\$ 1,674,899
	August.....	402,520	1,391,600	1,036,240
	September.....	757,880	1,716,848	1,540,488
	October.....	934,240	1,545,868	1,039,609
	November.....	1,440,499	1,451,918	1,886,868
	December.....	1,005,549	1,335,205	2,070,373
2001	January.....	270,381	2,143,861	1,190,946
	February.....	1,223,296	1,494,577	1,339,377
	March.....	1,378,496	1,381,012	2,312,836
	April.....	446,672	2,042,531	1,469,093
	May.....	1,020,110	1,800,948	1,405,982
	June.....	1,415,076	1,698,317	2,831,828
	July.....	281,565	1,575,450	1,853,617
	August.....	3,398	1,497,565	1,103,304
	September.....	397,659	2,520,198	1,627,038
	October.....	1,290,819	1,631,893	1,101,102
	November.....	1,821,610	1,469,470	2,347,429
	December.....	943,651	1,530,624	2,090,608
2002	January.....	383,667	2,014,638	1,293,585
	February.....	1,104,720	1,570,087	1,705,687
	March.....	969,120	1,530,532	2,730,873
	April.....	(231,221)	2,070,342	1,573,434
	May.....	265,687	2,155,171	1,844,456
	June.....	576,402	1,753,300	2,751,617
	July.....	(421,915)	1,700,476	1,895,272
	August.....	(616,711)	1,637,001	1,171,887
	September.....	(151,597) ^(d)	1,821,758	1,534,089
	October.....	136,072	1,555,633	1,295,201
	November.....	396,504	1,545,805	1,512,606
	December.....	429,703	1,498,251	2,068,437
2003	January.....	(140,483) ^(d)	2,146,771	1,422,359
	February.....	583,929	1,544,845	1,356,242
	March.....	772,532	1,624,938	2,228,728
	April.....	168,742 ^(d)	1,915,065	1,528,006
	May.....	555,801	1,620,967	1,491,623
	June.....	685,145 ^(d)	1,859,437	2,804,093

^(a) The General Fund balances presented in this table are not based on Generally Accepted Accounting Principles (GAAP).

^(b) The monthly receipt and disbursement projections for September 1, 2002 through June 30, 2003 are based on all fiscal bills through 2001 Wisconsin Act 109.

^(c) The amounts shown in September 2001 include receipts from the issuance of operating notes and amounts shown in February–May 2002 include disbursements for impoundment payments required in connection with the issuance of operating notes. No operating notes were issued in FY01 and the amounts shown for FY03 do not include receipts or impoundment payments resulting from the issuance of any operating notes.

^(d) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. Based on 2001 Wisconsin Act 109, this amount is approximately \$551 million for FY03. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$331 million for FY03) for a period of up to 30 days. See “[Cash Balances In Funds Available For Interfund Borrowing](#)”.

CASH BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(a)

July 31, 2000 to August 31, 2002 — Actual
September 30, 2002 to June 30, 2003— Estimated^(b)
(Amounts in Millions)

<u>Month (Last Day)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
January		\$ 4,435	\$ 5,360	\$ 1,887
February		4,786	5,463	1,976
March		5,213	5,628	2,011
April		4,952	5,135	1,825
May.....		4,680	4,819	1,809
June.....		4,925	5,001	1,882
July	\$ 4,084	5,275	5,401	
August	3,743	4,785	4,844	
September.....	3,796	4,897	1,777 ^(b)	
October	3,378	4,328	1,613	
November	3,489	4,242	1,601	
December.....	3,701	4,737	1,781	

^(a) Consists of the following funds:

Transportation	Common School
Conservation (Partial)	Normal School
Wisconsin Health Education Loan Repayment	University
Waste Management	Local Government Investment Pool
Wisconsin Election Campaign	Farms for the Future
Investment & Local Impact	Agrichemical Management
Elderly Property Tax Deferral	Historical Society Trust
Lottery	School Income Fund
Children's Trust	Benevolent
Racing	Groundwater
Work Injury Supplemental Benefit	Petroleum Storage Environmental Cleanup
Unemployment Compensation Interest Repayment	Environmental Improvement Fund
Uninsured Employers	Environmental
Health Insurance Risk Sharing Plan	Recycling
Local Government Property Insurance	University Trust Principal
Patients Compensation	Veterans Mortgage Loan Repayment
Mediation	State Building Trust
Agricultural College	

^(b) Estimated balances for September 30, 2002 and subsequent months include as an assumption only 20% of the amount estimated to be available for the local government investment pool. The local government investment pool is composed of funds deposited by local units of government that may be withdrawn without notice. Balances in the local government investment pool the past five years have ranged from a low of \$2.096 billion on November 14, 1997 to a high of \$4.684 billion on March 26, 2002. Under Section 20.002 (11), Wisconsin Statutes, interfund borrowing is limited to 5% of the total general-purpose revenue appropriations then in effect and an additional 3% for a period of up to 30 days. The 5% amount is approximately \$551 million and the additional 3% amount for a period of up to 30 days is approximately \$331 million for FY03.

GENERAL FUND RECORDED REVENUES^(a)
July 1, 2002 to August 31, 2002 compared with previous year

	Preliminary Revenues <u>2001-02FY^(b)</u>	Projected Revenues <u>2002-03 FY^(c)</u>	Recorded Revenues July 1, 2001 to <u>August 31, 2001^(d)</u>	Recorded Revenues July 1, 2002 to <u>August 31, 2002^(e)</u>
Individual Income Taxes.....\$	4,979,662,000	\$ 5,310,600,000	\$ 398,436,826	\$ 375,111,551
General Sales and Use Taxes..	3,695,796,000	3,830,200,000	354,800,393	327,244,702
Corporate Franchise and Income Taxes.....	503,008,000	535,000,000	19,762,110	19,733,441
Public Utility Taxes	252,237,000	257,400,000	55,969	0
Excise Taxes	348,282,000	365,700,000	26,204,191	32,563,305
Inheritance Taxes	82,635,000	67,000,000	12,635,516	13,763,162
Insurance Company Taxes.....	96,055,000	90,000,000	232,291	717,757
Miscellaneous Taxes	62,509,000	59,600,000	12,131,126	19,183,414
SUBTOTAL.....	<u>10,020,184,000</u>	<u>10,515,500,000</u>	<u>824,258,422</u>	<u>788,317,332</u>
Federal Receipts ^(f)	-	4,860,982,500	813,847,937	819,805,733
Dedicated and Other Revenues ^(g)	-	<u>3,515,741,900</u>	<u>483,485,329</u>	<u>422,395,100</u>
TOTAL.....	<u>-</u>	<u>\$ 18,892,224,400</u>	<u>\$ 2,121,591,688</u>	<u>\$ 2,030,518,165</u>

- (a) Please refer to the cautionary statements contained on page 2 of this document. The cautionary statements are an integral part of this table. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts reflect preliminary general purpose revenue tax collections for FY02, as reported by the State of Wisconsin Department of Revenue on August 30, 2002. Final tax collections, along with Federal Receipts and Dedicated and Other Revenues, will not be available until publication of the Annual Fiscal Report, which will be no later than October 15, 2002
- (c) Projected revenues are based on all fiscal bills through 2001 Wisconsin Act 109.
- (d) The amounts shown are fiscal year 2002 revenues as recorded by state agencies.
- (e) The amounts shown are fiscal year 2003 revenues as recorded by state agencies.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION^(a)
July 1, 2002 to August 31, 2002 compared with previous year**

Final expenditures for Fiscal Year 2002 will not be available until publication of the Annual Fiscal Report, which will be no later than October 15, 2002.

	Annual Fiscal Report Expenditures 2001-02 FY	Appropriations 2002-03 FY^(b)	Recorded Expenditures July 1, 2001 to August 31, 2001^(c)	Recorded Expenditures July 1, 2002 to August 31, 2002^(d)
Commerce.....	Not Available Until October 15, 2002	\$ 229,610,200	\$ 39,296,526	\$ 42,508,091
Education.....		8,857,403,500	723,113,513	726,424,510
Environmental Resources.....		256,362,000	14,673,097	11,409,705
Human Relations & Resources		7,546,331,400	1,221,577,294	1,276,353,271
General Executive.....		640,955,900	74,723,747	91,007,099
Judicial.....		105,143,800	11,158,037	25,540,598
Legislative.....		60,590,500	7,578,599	8,313,965
General Appropriations.....		1,387,111,500	675,281,724	678,862,995
TOTAL.....			\$ 19,083,508,800	\$ 2,767,402,535

- (a) Please refer to the cautionary statements contained on page 2 of this document. The cautionary statements are an integral part of this table. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) Estimated appropriations based on all fiscal bills through 2001 Wisconsin Act 109.
- (c) The amounts shown are fiscal year 2002 expenditures as recorded by state agencies.
- (d) The amounts shown are fiscal year 2003 expenditures as recorded by state agencies.